GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2957
ANSWERED ON:10.08.2000
IMPORT OF FERTILIZERS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the quantity and type of fertilizers imported during each of the last three years and proposed for year 2000-01 along with the name of the countries and expenditure incurred thereon;

(b) the rate at which fertilizers imported along with the names of agencies granted permission for the import of fertilizers, type-wise;

(c) the present cost of imported urea per tonne and the cost of domestic urea per tonne; and

(d) the reasons for the difference in cost, if any, and the measures to be taken to minimise this difference ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI RAMESH BAIS)

(a)&(b) Urea is the only fertilizer which is under statutory price and movement control and whose imports are made on Government account to bridge the gap between requirement and indigenous availability through designated canalizing agencies namely M/s MMTC Ltd.,M/s State Trading Corporation Ltd. (STC), and M/s Indian Potash Ltd. (IPL). The quantity of urea imports in the last three years along with the expenditure incurred thereon is as under:

Year	Urea (LMT)	Expenditure (Rs crores)
1997-98	23.89	729.36
1998-99	5.56	125.00
1999-2000 (P)	5.33	74.07

LMT= lakh MTs
P=Provisional

The agency-wise imports and the C&F prices at which these imports were made in the last three years is indicated below:

	1997-98		1998-99		1999-2000	
Agency	Quanty (LMT)	Weighted average C&F Price (US$)	Quanty (LMT)	Weighted average C&F Price (US $)	Qntity (LMT)	Weighted average C&F Price (US $)
MMTC	11.04	151.30	2.58	100.74	2.33	86.43
STC	9.98	153.37	1.50	100.67	1.02	86.43
IPL	2.87	139.66	1.48	99.60	1.98	85.50

LMT= lakh MTs

The countries from where import of urea were made during last three years were Libya, CIS, Kuwait, Qatar, Saudi Arabia, U.A.E and Iran.

The other major fertilizers namely DAP and MOP have been decontrolled since24.8.1992 and their imports decanalized with effect from 17.9.1992 and 17.6.1993 respectively. The imports of these fertilizers are made freely on private trade account within the parameters of the concession scheme of Department of Agriculture and Cooperation (DAC).As these fertilizers are decontrolled, Department of Fertilizers does not maintain details regarding the prices, expenditure and sources of imports. On the basis of available information, quantities of DAP and MOP imported in the last three years were as under:

Year	DAP (LMT)	MOP (LMT)
1997-98	14.60	19.00
1998-99	21.05	25.70
1999-2000 (P)	32.68	28.98

LMT = lakh MTs
P = Provisional

DAP imports were from Jordan, USA, Mexico, Saudi Arabia, C.I.S, South Korea, South Africa and Senegal and that of MOP were from Canada, Jordan, Germany, Israel and C.I.S.

(c)&(d): No imports of urea have been made so far in the current year. However according to details appearing in the Fertilizers Market Bulletin and other weekly bulletins, prices of prilled urea have firmed up and are being quoted currently in the range of the US $133-136 (Rs 5985-6120 per tonne) by C.I.S producers on FOB basis and US $130-140 (Rs 5850-6300 per tonne) by the A G producers on FOB basis. Against this, the weighted average retention price of domestic urea is Rs 8218 per tonne as on 1.4.2000. Administrative Pricing Mechanism in the Petroleum sector has been dismantled with effect from September 1997 and the prices are governed by import parity prices. The supply of gas in the country, which is the preferred stock for fertilizer production, is dwindling. Hence the Government have limited control on pricing of feedstock, which is the major constituent in the cost of production of indigenous urea, to minimize the difference in the price of indigenous and imported urea. The weighted average cost of production of domestic urea is high because nearly 40% of the indigenous urea capacity is based on naphtha and fuel oil.